

11 KAR 14:040. Osteopathic Medicine Scholarship Program overawards and refunds.

RELATES TO: KRS 164.7891

STATUTORY AUTHORITY: KRS 164.748(4), 164.7891

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.7891 requires the authority to promulgate administrative regulations for administration of the Osteopathic Medicine Scholarship Program. This administrative regulation establishes procedures for refund to the authority of monies paid under the Osteopathic Medicine Scholarship Program.

Section 1. Definitions. (1) "Authority" is defined in KRS 164.740(1).

(2) "Federal act" is defined in KRS 164.740(9) and means 20 USC 1001 through 1146a.

Section 2. General. (1) An osteopathic medicine scholarship recipient fails to enroll, withdraws from, is expelled from an accredited osteopathic medicine program, or otherwise fails to complete the program on or after his first day of class of the period of enrollment or changes enrollment status may be due a refund of monies paid to the school on behalf of that student or repayment of cash disbursements made to the student for educational expenses.

(2) If the student received an osteopathic medicine scholarship, all or a portion of the refund and repayment shall be due to the authority in accordance with this section and Section 3 of this administrative regulation.

(3) The school shall adopt and implement a fair and equitable refund policy for financial assistance administered by the authority which shall be:

(a) A clear and conspicuous written statement;

(b) Made available to a prospective student, prior to the earlier of the student's enrollment or the execution of the student's enrollment agreement, and to currently enrolled students;

(c) Consistently administered by the school; and

(d) Made available to the authority upon request.

(4) The school's refund policy for financial assistance administered by the authority may use the same methods and formulas for determining the amount of a refund as the school uses for determining the return of federal financial assistance funds or the school may adopt a separate and distinct policy that is based upon:

(a) The requirements of applicable state law; or

(b) The specific refund standards established by the school's nationally-recognized accrediting agency.

(5) The amount of the refund shall be determined in accordance with the educational school's refund policy relative to financial assistance funds, except as provided in Section 3 of this administrative regulation.

(6) When the school determines that a refund of financial assistance is due in accordance with its policy, the school shall return osteopathic medicine scholarship funds to the authority prior to making refunds to school or private sources of financial assistance.

Section 3. Failure to Enroll or Official Withdrawal Before Classes Begin. (1) If an osteopathic medicine scholarship recipient fails to enroll in, officially or unofficially withdraws from, or is expelled by the accredited osteopathic medicine program prior to the first day of classes, the scholarship award shall be deemed an overaward and a full refund and repayment of the monies to the authority shall be required, notwithstanding a policy of the school to the contrary.

(2) If the school is unable to document the student's last date of attendance, any osteopathic medicine scholarship disbursement for that award period shall be subject to full refund.

(3) If, at any time, an osteopathic medicine scholarship recipient's enrollment is terminated

with no assessment of tuition and fees by the school, then the full osteopathic medicine scholarship shall be subject to cancellation, if not yet disbursed, or refund if the osteopathic medicine scholarship has already been disbursed.

Section 4. Withdrawal after Classes Begin. If an osteopathic medicine scholarship recipient officially withdraws from the osteopathic medicine program after the beginning of classes, the amount of refund shall be determined in accordance with the school's refund and repayment policy relative to financial aid funds.

Section 5. Unofficial Withdrawal. If an osteopathic medicine scholarship recipient unofficially withdraws from an accredited osteopathic medicine program, the authority shall not seek from the school a refund of the monies paid under the scholarship. The osteopathic medicine scholarship recipient shall be responsible for immediate repayment of the entire amount of monies paid under the scholarship as well as the applicable interest.

Section 6. (1) The school shall remit to the authority the amount of funds allocated from the refund amount to the financial assistance programs administered by the authority as soon as possible but no later than thirty (30) days after the end of the term in which the student ceased to be enrolled.

(2) Refunds by the school transmitted to the authority shall be accompanied by:

- (a) The student's name and Social Security number;
- (b) The reason for the refund;
- (c) The date of enrollment status change;
- (d) The semester and year; and
- (e) The calculation used for determining the refund. (25 Ky.R. 456; 814; eff. 10-1-1998; 27 Ky.R. 3315; eff. 8-15-2001; Crt eff. 9-28-2018.)